

Index Sheet

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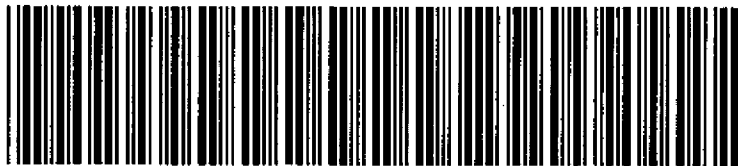
School Year: 2012

ACN:

PRCN: 201230427949

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October 15, 2012

Jack Forrest
Remington College
6302 E. Dr. Martin Luther King, Jr. Blvd.
Suite 400
Tampa, FL 33619-1177

UPS Next Day Air Tracking#:
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RE: Final Program Review Determination
OPE ID: 007586-00
PRCN: 2012-3-04-27949

Dear President Forrest:

The U.S. Department of Education's (Department's) Atlanta School Participation Division issued a program review report on August 22, 2012 covering Remington College's administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2010-2011 and 2011-2012 award years. The institution's final response was received on Monday, September 24, 2012.

The Atlanta School Participation Division has reviewed Remington College's response to the Program Review Report. A copy of the program review report (and related attachments) and Remington College's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Remington College upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Remington College's responses have resolved all findings. In addition Remington College has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, Remington College may consider the program review closed with no further action required.

Appendix A, Student Sample, contain personally identifiable information and will be emailed to Remington College upon request as an encrypted WinZip file using Advanced Encryption

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Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loan(s), claim(s) or expenditure(s) questioned in the program review [34 C.F.R. § 668.24(e)(3)(i)] or the end of the retention period applicable to the record [34 C.F.R. § 668.24(e)(1) and (e)(2)].

If you have any questions please call Toyoko Woodard at (404) 974-9448.

Sincerely

(b)(6); (b)(7)(C); (b)(7)(C)

Charles Engstrom
Director

Enclosure: Program Review Report (with attachments)
Remington College's Response to the Program Review Report

cc: James Dunn, Financial Aid Administrator
Accrediting Commission of Career Schools and Colleges
FL Commission for Independent Education - Florida Department of Education

Prepared for

**Remington College
Tampa Campus**



START HERE
GO FURTHER
FEDERAL STUDENT AID

OPE ID: 007586-00

PRCN: 2012-3-04-27949

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation

Program Review Report

August 22, 2012

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A. Institutional Information

Remington College
6302 E. Martin Luther King, Jr. Blvd.
Suite 400
Tampa, FL 33619-1177

Type: Private Nonprofit

Highest Level of Offering: Bachelor's Degree

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Current Online Student Enrollment: 175 (2011-2012)

% of Online Students Receiving Title IV: 86% (2011-2012)

Title IV Participation Postsecondary Education Participants System (PEPS):

<u>Title IV Programs (Campus and Online)</u>	<u>2010-2011</u>
Federal Pell Grant (PELL)	\$ 3,360,080
Academic Competitiveness Grant (ACG)	\$ 8,992
Federal Supplemental Educational Opportunity Grant (SEOG)	\$ 23,580
Federal Work Study (FWS)	\$ 0
Federal Perkins Loan	\$ 0
Federal Direct Loan (DL)	\$ 6,741,297
Federal Family Education Loan (FFEL)	\$ 1,401,370

Default Rate DL:	2009 - 8.5%
	2008 - 10.1%
	2007 - 11.8%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Remington College from June 18, 2012 to June 22, 2012. The review was conducted by Toyoko Woodard and Pamela Clemmer.

The focus of the review was Distance Education. The review consisted of, but was not limited to, an examination of Remington College's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2010-2011 and 2011-2012 award years. The files were selected randomly from a statistical sample of the Distance Education population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Remington College's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve Remington College of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

C. Findings

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by Remington College to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1: Verification Discrepancies

Citation: 34 C.F.R. § 668.54 states, an institution shall require each applicant whose application is selected for verification on the basis of edits specified by the Secretary to verify all of the applicable items specified in 34 C.F.R. § 668.56.

The purpose of verification is to ensure that Title IV funds are awarded to student applicants in the correct amount. Students are selected for verification on the basis of application edits specified by the Secretary. An institution must establish procedures to request, receive and verify applicant data for each award year. Institutions are also responsible for resolving conflicting information related to a student's application for Title IV aid. There are five required data elements that must be verified. These five items are:

- Household size (HHS)
- Number enrolled in college;
- Adjusted Gross Income (AGI);
- U.S. income tax paid; and,
- Other untaxed income and benefits

34 C.F.R. § 668.54(a)(2)(i) of the General Provisions regulation states that an institution must verify all applications CPS selects for verification. However, there is a limit on the number of applications an institution is required to verify. Participating institutions do not have to verify more than 30% of the total number of Title IV applicants at the institution, unless it chooses to do so. If the total number of selected applications is less than 30% of the institution's total number of applications for federal student aid, the institution must verify all selected applications.

In general, your school must have correct data before it can pay the student. If your school has conflicting information concerning a student's eligibility or you have any reason to believe a student's application information is incorrect, you must resolve the discrepancies before disbursing Title IV funds. If you discover discrepancies after disbursing Title IV funds, you must still reconcile the conflicting information and take appropriate action under the specific program requirements.

Noncompliance: Remington College did not accurately complete verification for the following students:

Student #10: The student was selected for verification for the 2010-2011 award year. Student is dependent. The AGI on the Parent taxes reflected \$50,057 however the AGI on the ISIR provided is \$54,861. The AGI reported on the FAFSA should always match the AGI on the tax return. Verification is not considered to be complete.

Student #26: The student was selected for verification for the 2011-2012 award year. Student is independent. The untaxed income reported on the ISIR conflicts with the student's taxes and supporting documentation supplied. Verification is not considered to be complete.

Required Action: Due to the closed award year, the institution must make the appropriate verification corrections for students #10 and #26. The institution must then determine if those corrections would have constituted a change to the students EFC and/or award amounts. Your response to this finding should provide copies of the verification documentation to support the institutions corrections and corrected data elements. The institution must explain corrective actions the institution will take to complete verification and resolve applicant discrepancies in the future in its response to this report.

Finding 2: Credit Balance Deficiencies

Citation: A Federal Student Aid (FSA) credit balance occurs whenever your school credits FSA program funds to a student's account and the total amount of those funds exceeds the student's allowable charges. An institution must pay the resulting credit balance directly to the student or parent as soon as possible but no later than: See 34 C.F.R. § 668.164(e)

1. 14 days after the credit balance occurred if the credit balance occurred after the first day of class of a payment period; or
2. No later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.

Similarly, a school is permitted to hold credit balances if it obtains a voluntary authorization from the student (or parent in the case of PLUS). If an institution has the authorization to hold credit balances, it must identify the amount of funds that it holds for the student or parent in a subsidiary ledger account designated for that purpose. Institutions must maintain at all times cash in its bank account at least equal to the amount it holds for students. See 34 C.F.R. § 668.165(b).

Because FSA funds are awarded to students to pay current year charges, notwithstanding any authorization from the student or parent, Institution's must pay:

1. Any remaining balance of FSA funds by the end of the loan period, and
2. Any other remaining FSA program funds by the end of the last payment period in the award period in the award year for which they were awarded.

Noncompliance: Remington College did not have proper authorization to hold the credit balances for Students #2, 3 and 19 as a result the institution failed to pay the remaining credit balances within the required time frames.

Required Action: The institution's response must provide a description of the steps that will be taken to prevent a repeat finding in the future. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding 3: Credit Balance Authorization Form Inadequate

Citation: In obtaining the student's or parent's written authorization to hold Title IV credit balances, an institution

1. May not require or coerce the student or parent to provide that authorization;
2. Must allow the student or parent to cancel or modify that authorization at any time; and
3. Must clearly explain how it will carry out that activity. 34 C.F.R. § 668.165

Noncompliance: The institution has no formal procedure in place for a student to receive their credit balance. The credit balance authorization form used does not include the option to return credit balances to the student or provide the option to rescind holding the credit balances. This gives the appearance that Remington College may be deterring students from receiving a credit balance and the opportunity to rescind the initial authorization to hold a credit balance.

Required Action: Remington College was advised during the review that they must revise its Credit Balance Authorization form. The form must clearly state that the authorization may be modified and/or rescinded at any time. The form must be clearly titled, that it is a credit balance authorization form, and the student must be given the option to directly receive their credit balance. Remington College provided an updated copy of their Credit Balance Authorization form onsite with the required components therefore this finding is considered closed and no further action is required.

Finding 4: Inaccurately Reporting Information to COD

Citation: 34 C.F.R. § 690.83 requires institutions to submit a student's payment data (including disbursement dates) to the Secretary by the reporting deadlines published in the Federal Register. Institutions are required to submit Federal Pell Grant and/or Federal Direct Loan disbursement records to the Common Origination and Disbursement (COD) system no later than 30 days after making a disbursement or becoming award of the need to adjust a student's previously reported disbursement (COD Technical Reference, 2008-2009, Volume II). The disbursement date is the date that the institution:

- (a) Credits funds to a student's account, or;
- (b) Pays funds to a student directly

Refer to the COD Technical Reference, 2008-2009 and the June 9, 2008 Federal Register for the most recent reporting deadlines and requirements.

Noncompliance: Disbursement dates reported to COD were not accurate. The following chart illustrates an example of the difference between dates that Title IV funds were disbursed to the student's account versus disbursements dates reported to COD.

Student #3	COD	Student Account Ledger	Program	Amount
3	8/4/10	8/12/10	Pell	\$1,850
	10/19/10	10/25/10	Pell	\$1,850
	1/24/11	1/20/11	Pell	\$1,850
	1/24/11	2/8/11	DL Unsub	\$2,000
	1/24/11	2/8/11	DL Sub	\$1,500

Required Action: Remington College must review COD reporting procedures to determine why disbursement dates are not accurate for its students. Remington College must correct its procedures so that disbursement dates reported to COD are the dates that Federal Pell funds and Direct Loans are credited to the student's account or paid to the student directly. Remington College's response must describe procedures that the institution will put into place in order to correct these deficiencies. In addition, the institution must correct the dates in COD for ALL of the students that were selected during this review. To show the correction has been made in COD, the institution must provide this office with a copy of the "Award Disbursements Information" page from the COD system.

D. Appendices

Appendix A (Student Sample) contains personally identifiable information and will be emailed to Remington College upon request as an encrypted WinZip file using Advanced Encryption Standard, 256-bit upon request. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.



REMINGTON COLLEGES, INC.

September 20, 2012

Ms. Toyoko Woodard
United States Department of Education
Federal Student Aid, School Participation Team - Atlanta
61 Forsyth Street, SW Suite 18T40
Atlanta, GA 30303

Re: Program Review Report
OPE ID: 007586-00
PRNC: 2012-3-04-27949

Dear Ms. Woodard,

We are in receipt of the letter of August 22, 2012 from Mr. Christopher Miller, Compliance Manager and of the Program Review Report of the same date attached thereto. The letter instructs that "the institution's response should be sent directly to Toyoko Woodard within 30 days of the receipt of this letter". Please allow this correspondence and the enclosures herewith to serve as the official response of Remington College - Tampa Campus.

The findings and Remington's responses are presented in the order in which they appear in the Program Review Report.

Finding 1. Verification Discrepancies

Noncompliance: Remington College did not accurately complete verification for the following students:

Student #10: The student was selected for verification for the 2010-2011 award year. Student is dependent. The AGI on the Parent taxes reflected \$50,057 however the AGI on the ISIR provide is \$54,861. The AGI reported on the FAFSA should always match the AGI on the tax return. Verification is not considered to be complete.

Student #26: The student was selected for verification for the 2011-2012 award year. Student is independent. The untaxed income reported on the ISIR conflicts with the student's taxes and supporting documentation supplied. Verification is not considered to be complete.

Response to Finding 1.

Student #10: Remington believes some inaccuracies in the statement (above) regarding Student # 10 result in the apparent finding.

Specifically, the attached documentation demonstrates that:

- (1) the student is, in fact, independent, not dependent (wed in 2009), and;

- (2) the original ISIR (ISIR01) reflected an AGI of \$54,861, but it appears that the Program Reviewers inadvertently overlooked a subsequent (corrected) ISIR in the file which reflected the correct AGI of \$50,057.

The student and her husband both initially, and incorrectly, filed their 2009 Federal Income Returns with the filing status of "Single" (they married in 2009). They provided copies of their tax returns, which were in the file reviewed by the Program Reviewers, Ms. Woodard and Ms. Clemmer. The combined AGI on those tax returns was \$54,861, which is the AGI reflected in ISIR01, dated 11/15/10.

The institution's financial aid officers pointed out to the student and her husband that the tax returns they had filed were in error with regard to their filing status. The student and her husband then re-filed with the filing status "Married filing separately". These tax returns were also in the file reviewed by the Program Reviewers, and the combined AGI on these re-filed/corrected tax returns reflect an AGI of \$50,057.

Based on the information contained in the corrected tax returns, a new ISIR (ISIR02), dated 12/28/10, was obtained, which reflects the correct AGI of \$50,057.

It appears that ISIR02 may have been inadvertently overlooked by the Program Reviewers, which would explain the apparent discrepancy described in the finding between the AGI on the tax returns and the AGI on the ISIR.

For your convenience, attached hereto are copies of both ISIR01 and ISIR02 and the husband's corrected tax return.

Student #26: Copies of the student's and husband's joint tax returns along with all schedules and W-2 were provided at the time of the review. The student obtained three (3) ISIRs: (1) ISIR01 dated 6/29/11, (2) ISIR02 dated 7/20/11 and (3) ISIR03 dated 7/25/11.

The finding for Student # 26 states that, *"The untaxed income reported on the ISIR conflicts with the student's taxes and supporting documentation supplied."*

We have compared the data on ISIR03 to the student's tax return and supporting documentation and do not see any conflicting information related to untaxed income. Accordingly, it appears that the conflict may be based on a comparison of the tax return to one of the previous ISIRs rather than ISIR03.

All three of the student's ISIRs are attached for your review, which we believe will allow you to conclude that there is no conflict.

In response to the "Required Actions" in the Program Review Report, Remington expects that the "additional documentation" provided herewith will resolve the two student issues cited. Additionally, as the "additional documentation" was available at the time of the Program Review, Remington believes that its verification process is working properly and that no corrective actions are required.

Finding 2: Credit Balance Deficiencies

Remington College did not have proper Authorization to hold the credit balances for Students #2, 3 and 19 as a result the institution failed to pay the remaining credit balances within the required time frames.

Response to Finding 2

Remington agrees that at least one Title IV Credit Balance to each of students # 2 and # 19 was paid outside the required timeframe. With regard to Student # 2, she had a total of six TIV Credit Balances, one of which was paid one day late in the amount of \$27.00. The other five were paid within the required timeframe (on average they were paid in just under seven (7) days).

With regard to Student # 3, the TIV Credit Balance may have been paid outside the required timeframe, as the written notice of rescission of the student's previous authorization to hold credit balances is not dated. Since the rescission is not dated it is not possible to determine with certainty whether the payment was or was not made outside the required timeframe.

To avoid a recurrence of the late payment of TIV Credit Balances, Remington has taken steps to assure that Title IV credits balances are paid within the timeframes as required by and set forth in 34 C.F.R. 668.164(e).

Specifically, the following steps have been/will be taken:

1. During the enrollment process, students are now asked to complete a Credit Balance -- Disclosure and Student Election Form (the "new" form, as described in Finding 3, below). The student will elect to either: have any credit balance created held during the current academic year, or to have any credit balances that occur paid directly to them. If the student does not make an election, then Remington will treat the student as if they elected to have credit balances paid directly to them and not held. (Note: As observed during the Program Review, the new Credit Balance Authorization form makes it clear that students who elect to have their credit balances held may modify or rescind their election by notifying Remington of their desire to modify or rescind their election by written, electronic or verbal notification.)
2. Remington's corporate financial aid office now runs a series of reports daily to identify students with Title IV credit balances.
3. Three weeks prior to the end of each loan period, Remington's corporate financial aid office now runs/will run a series of newly created reports to identify any students for whom Remington has a credit hold authorization on file and who have a Title IV credit balance. Refund checks will then be prepared and disbursed prior to the end of the loan period.

Remington believes these new procedures will assure timely payment of Title IV credit balances and prevent a repeat finding in the future.

Finding 3: Credit Balance Authorization Form Inadequate

Noncompliance – The institution has no formal procedure in place for a student to receive their credit balance. The credit balance authorization form used does not include the option to return credit balances to the student or provide the option to rescind holding the credit balances. This gives the appearance that Remington College may be deterring students from receiving a credit balance and the opportunity to rescind the initial authorization to hold a credit balance.

Response to Finding 3

Remington College provided its new form of Credit Balance Authorization to the onsite Program Reviewers and, as stated in the Program Review Report's "Required Actions" section, "this finding is considered closed and no further action is required."

Finding 4: Inaccurately Reporting Information to COD

Noncompliance: Disbursement dates reported to COD were not accurate.

Response to Finding 4

As discussed during the Program Review, Remington agrees with the finding.

As stated in the *Required Action* language of the Program Review Report, Remington has taken the following actions:

Remington has reviewed its COD reporting procedures with its third-party servicer (Global Financial Aid Services), and has determined why inaccuracies occurred in the disbursement dates for many of its students.

Remington and Global have modified/corrected the COD reporting procedures to ensure that disbursement dates reported to COD are the dates that Federal Pell funds and Direct Loans are credited to the student's account or paid to the student directly. (Note: As you predicted during our discussions, Global initially took the position that the dates for Pell funds did not have to be matched, but Remington insisted that this had to occur and Global ultimately agreed. Thanks for the "heads-up" on this.)

The following procedures have been put into place to correct the deficiencies:

- Global Financial Aid Services provides Remington with what Global refers to as a "Check Register" on "Day 0" ("Day 0" is the date that the request for funds is made—not the requested disbursement date of the funds). The "Check Register" consists of a list of students who they have requested funds on though G5.
- On Day 1 Remington receives the funds into its operating account. The funds are always received late in the day (after noon), at which point Remington conducts a review of the funds received (to assure that the payments received are the correct amounts and marked correctly so they will "autopost" to the correct payment period).
- On Day 2 Remington posts the funds received to the students' accounts and Global then updates the dates in COD to indicate that the funds were posted to the students' accounts on this date.
- In the event that requested funds (as detailed on the Check Register) are not received as scheduled, for whatever reason, Global notifies Remington of the "exception" and when those funds are received by Remington, Remington notifies Global of the date on which those funds were posted and Global sends an update to COD to correct the records of the affected student accounts.
- As an additional quality assurance measure, after funds have been posted to student accounts, Remington selects a sample from each batch posting and manually confirms that the amounts and dates of funds posted to the selected student accounts match the COD records.

September 20, 2012

Page 5 of 5

Remington has corrected the dates in COD for ALL of the students that were selected during this review. The supporting documentation, including the requested copy of the Award Disbursements Information page from the COD system, is enclosed herewith.

Closing Comments

On behalf of Remington, James Dunn and myself, I want to thank you and Ms. Clemmer for the information and guidance you shared with us during your visit. Thank you for identifying areas for improvement and for the professional and courteous way in which you conducted the program review.

I trust our responses fully address the findings and also serve to demonstrate Remington's commitment to compliance with the regulations and sound administration of the Federal Student Aid program. Please do not hesitate to contact James or me directly should you have any remaining questions or need additional information.

~~Sincerely,~~
(b)(6); (b)(7)(C); (b)(7)(C)

Jack W. Forrest
President/CEO
Remington College

JWF:sde
Enclosures

Statistical Sample - 2010/2011

	STUDENT #	SSN	LAST NAME	FIRST NAME	PROGRAM	Financial Aid File Received	Academic File Received
1	55	(b)(6); (b)(7)(C); (b)(7)(D)			PAR-Online-Paralegal		
2	69				PAR-Online-Paralegal		
3	201				Criminal Justice -Associate Criminal Justice		
4	140				Criminal Justice -Associate Criminal Justice		
5	29				ORM-Organizational Management		
6	14				Criminal Justice -Associate Criminal Justice		
7	124				BA Online General-Business Administration Degree		
8	122				ORM-Organizational Management		
9	157				BA Online General-Business Administration Degree		
10	54				ORM-Organizational Management		
11	87				Criminal Justice -Associate Criminal Justice		
12	136				BA Online General-Business Administration Degree		
13	42				BA Online General-Business Administration Degree		
14	204				Operations Management		
15	24				BA Online General-Business Administration Degree		

Statistical Sample - 2011/2012

	STUDENT #	SSN	LAST NAME	FIRST NAME	PROGRAM	Financial File Received	Academic File Received
16	4	(b)(6); (b)(7)(C); (b)(7)(D)			Criminal Justice -Associate Criminal Justice		
17	238				PAR-Online-Paralegal		
18	88				ORM-Organizational Management		
19	52				CJ -Bachelor - OL Criminal Justice		
20	155				BA Online General-Business Administration Degree		
21	210				Criminal Justice -Associate Criminal Justice		
22	241				BA Online General-Business Administration Degree		
23	61				Criminal Justice -Associate Criminal Justice		
24	77				BA Online General-Business Administration Degree		
25	205				BA Online General-Business Administration Degree		
26	220				Criminal Justice -Associate Criminal Justice		
27	82				Criminal Justice -Associate Criminal Justice		
28	214				ORM-Organizational Management		
29	243				PAR-Online-Paralegal		
30	21				PAR-Online-Paralegal		